

Request For Proposals

Financial Advisor Services

October 21, 2008

**County of San Bernardino
County Administrative Office
385 North Arrowhead Avenue
San Bernardino CA 92415-0120**

I. INTRODUCTION

A. Purpose

This Request for Proposal (RFP) is to solicit proposals from qualified firms to act as an independent financial advisor to the County Board of Supervisors and staff and provide independent professional advice regarding all aspects of the County's debt program that benefits the County by reducing its debt exposure, reducing debt costs, and supporting policy formulation that allows the County to better serve all those involved in the debt process.

B. Period of Agreement

The successful firm will receive a contract for two years with an option, at the County's discretion, for one additional year. The contract period will be from January 2009 through January 2011.

C. Minimum Requirements

All Proposers must:

1. Have at least three - (3) years experience in providing general financial advisory services for other governmental entities.
2. Provide information regarding any investigations by regulatory agencies, civil filings, criminal filings, and customer complaints regarding the firm and/or its principles in the past ten (10) years. Include information on whether the firm is being investigated by the Internal Revenue Service with respect to violations of Section 6700 of the Internal Revenue Code, as amended, and whether the firm has acted as financial advisor to any school districts being investigated by the Internal Revenue Service with respect to violations of cash deficit requirements in connection with the issuance of Tax and Revenue Anticipation Notes.
3. Be an independent financial advisor, not affiliated with, a subsidiary of, or otherwise related to firms that provide underwriting services.
4. Provide at least three (3) references for which these type services have been performed within the past five (5) years.
5. Meet other presentation and participation requirements listed in this RFP.
6. Have no outstanding or pending complaints as determined that have reached final resolution through the Better Business Bureau and State of California Department of Consumer Affairs, and have no unsatisfactory record of performance with the County or any public agency.
7. Have the administrative and fiscal capability to provide and manage the proposed services.

D. Questions

All questions or correspondence relating to this RFP must be submitted in writing no later than 5:00 pm (PST) Tuesday November 4, 2008 and are to be directed to:

Gary McBride Deputy Administrative Officer gmcbride@cao.sbcounty.gov	Michelle Blakemore Deputy County Counsel mblakemore@cc.sbcounty.gov	Katrina Turturro Principal Administrative Analyst kturturro@cao.sbcounty.gov
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During the proposal and evaluation process, the individuals identified above are the only contact points for any inquiries or information relating to this RFP. If authorized by one of the above contacts, other County Staff may also provide information. Any violation of this procedure may be grounds for disqualification of the Proposer.

E. Proposal Submission Deadline.

All proposals must be received at 385 N. Arrowhead Avenue, Fourth Floor, San Bernardino, California, 92415-0120, Attn: Gary McBride, no later than 5:00 pm, Friday, November 14, 2008. Facsimile or electronically transmitted proposals will not be accepted. Postmarks will not be accepted in lieu of actual receipt. Late or incomplete proposals may not be opened or considered.

II. PROPOSAL TIMELINE

Action	Date
Release of RFP	October 21, 2008
Deadline for Submission of Questions	November 4, 2008
Deadline for Proposals	November 14, 2008
Tentative Interviews for selected proposers	Week of December 1, 2008
Tentative Date of Notification of Award	December 16, 2008

III. PROPOSAL CONDITIONS

A. Contingencies

This Request for Proposal (RFP) does not commit the County of San Bernardino to award an agreement. The County reserves the right to accept or reject any or all proposals if the County determines it is in the best interest of the County to do so.

B. Acceptance or Rejection of Proposals

Proposals shall remain open, valid and subject to acceptance anytime within one hundred eighty (180) days after the submittal deadline and up to the end of the agreement period.

The County realizes that conditions other than price are important and will award contract(s) based on the proposal that best meets the needs of the County.

C. Modifications

The County reserves the right to issue addenda or amendments to this RFP.

D. Proposal Submission

To be considered, all proposals must be submitted in the manner set forth in this proposal. It is the proposer's responsibility to ensure that its proposal arrives on or before the specified time.

E. Incurred Costs

This RFP does not commit the County to pay any costs incurred in the preparation of a proposal in response to this request and Proposer agrees that all costs incurred in developing this proposal are the Proposer's responsibility.

F. Negotiations

The County may require the potential selected firm to participate in negotiations, and to submit revisions of their proposals as may result from negotiations.

G. Final Authority

The final authority to award an agreement as a result of this RFP rests solely with the Board of Supervisors of the County of San Bernardino.

Please do not include any additional information that is not required by this Request for Proposal.

IV. GENERAL REQUIREMENTS

Background

San Bernardino County was established by an act of the State Legislature on April 23, 1853, which formed the County from the eastern part of Los Angeles County. The County encompasses an area of over 20,000 square miles and includes twenty-four incorporated cities

The County is a charter county divided into five supervisorial districts on the basis of registered voters and population. The County is governed by a five-member Board of Supervisors (the "Board") who serve staggered four-year terms. The Chairman is elected by and from among the members of the Board. The day-to-day activities of the County are administered by the County Administrative Officer. A copy of the County's organizational chart is included as Attachment F.

The County's debt program is administered and managed by the County Administrative Office in coordination with the Debt Advisory Committee (DAC), which is a Board appointed committee consisting of the Treasurer/Tax Collector, the Auditor/Controller-Recorder, County Counsel, and the County Administrative Officer. The DAC is charged with oversight and review of all debt policy and debt issuance activities and to make recommendations to the Board of Supervisors regarding appropriate actions on debt matters.

Current Debt Portfolio

The County has no outstanding general obligation bonds. The County has made use of various lease arrangements with joint powers authorities and a nonprofit corporation to finance capital project needs. Under these arrangements, the financing entity usually constructs or acquires capital assets with the proceeds of lease revenue bonds or certificates of participation and then leases the asset or assets to the County. A debt service schedule is provided in Attachment A.

V. SCOPE OF WORK

Contractor should act as an independent advisor to the County Board of Supervisors, Debt Advisory Committee and staff and proactively provide independent professional advice and recommendations that benefits the County by reducing its debt exposure, reducing debt costs, and supporting policy formulation that allows the County to better serve all those involved in the debt process. It is the intent of County that Contractor will not participate in any financing transactions for the County, Special Districts, Economic and Community Development or the County Redevelopment Agency while Contractor serves as the independent financial advisor under this contract. This requirement can be waived by the Board of Supervisors. Specific tasks include, but may not be limited to:

- A. Ongoing review and analysis of the County's debt portfolio, and identification of refunding opportunities for existing County debt. Review as needed of proposed Special Districts, Community Development and Housing, and County Redevelopment Agency financings.
- B. Ongoing monitoring and recommendations regarding the County's variable rate debt and swap agreements.
- C. At least once a year (and more often if required or requested) prepare a comprehensive report which reviews all of the County's debt and includes a debt reduction plan, to include the following components:
 - 1. Debt affordability analysis and compilation of other relevant statistics (debt ratios, etc.)
 - 2. Listing of all County debt including TIC, maturity, outstanding par, description, and a schedule of debt service
 - 3. Refinancing/restructuring opportunities
 - 4. Analysis of the conversion of variable-rate debt to fixed-rate debt
 - 5. Debt reduction plan for the use of reserves and one-time monies to defease existing debt
 - 6. Analysis of potential for debt financing of future capital needs identified in the County's Five Year Capital Improvement Program plan.
- D. Analysis of "pay-as-you-go" versus debt financing for new capital projects identified by the County.
- E. Prepare periodic debt affordability, analysis and other relevant statistics for the County.
- F. Assistance with presentation and discussions with the rating agencies.
- G. Ongoing assistance to County staff and to the County's Debt Advisory Committee, and attendance at the committee's monthly meetings.
- H. Consultant should proactively review the County debt policy and provide advice to improve the County's policies, practice and procedures. Consultant should stay aware of all debt issues statewide to glean ideas that would benefit County. A copy of the current County debt policy is provided as Attachment D.
- I. Provide ongoing technical assistance and training in debt management issues to County staff as appropriate.
- J. Assist County in ensuring all annual disclosure requirements are met.
- K. Attend meetings with County staff and Board of Supervisors as needed.

VI. GENERAL AGREEMENT TERMS

Key agreement terms are provided here for convenience. A draft agreement is included as Attachment E and is substantially in the form expected to be approved by the County. Any proposed changes should be clearly identified in proposer's response.

A. GENERAL

1. Representation of the County

In the performance of the Agreement, CONTRACTOR, its agents and employees, shall act in an independent capacity and not as officers, employees, or agents of the County of San Bernardino.

2. Contractor Representative

CONTRACTOR must provide a list of and the resumes of the individuals who will provide services to the County. These individuals will be designated "key personnel" and may not be removed from County transactions or projects without the written approval of the County. An individual who will be the main contact person must also be identified. If the main contact person will be unavailable to the County for more than three (3) days, another person must be designated as a contact for the County.

3. Change of Address

CONTRACTOR shall notify the COUNTY in writing, of any change in mailing address within ten (10) business days of the change.

4. Subcontracting

CONTRACTOR agrees not to enter into any subcontracting agreements for work contemplated under the Agreement without first obtaining written approval from the COUNTY. Any subcontracting shall be subject to the same terms and conditions as CONTRACTOR. CONTRACTOR shall be fully responsible for the performance and payments of any subcontractor's contract.

5. Agreement Assignability

Without the prior written consent of the COUNTY, the agreement is not assignable by CONTRACTOR either in whole or in part.

6. Agreement Amendments

CONTRACTOR agrees any alterations, variations, modifications, or waivers of the provisions of the Agreement, shall be valid only when reduced to writing, executed and attached to the original Agreement and approved by the required persons.

7. Termination for Convenience

The COUNTY for its convenience may terminate in whole or in part upon thirty (30) calendar day's written notice this Agreement. If such termination is effected, an equitable adjustment in the price provided for in this Agreement shall be made. Such adjustment shall provide for payment to the CONTRACTOR for services rendered and expenses incurred prior to the effective date of termination. Upon receipt of termination notice CONTRACTOR shall promptly discontinue services unless the notice directs otherwise. Contractor shall deliver promptly to County and transfer title (if necessary) all completed work, and work in progress, including drafts, documents, plans, forms, data, products, graphics, computer programs and reports.

8. Attorney Fees and Costs

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorneys' fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorneys' fees directly arising from a third-party legal action against a party hereto and payable under Part B-1 Indemnification.

9. Venue

The venue of any action or claim brought by any party to this Agreement will be the Central District Court of San Bernardino COUNTY. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Agreement is brought by any third-party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to San Bernardino COUNTY.

10. [Reserved]

11. Licenses and Permits

CONTRACTOR shall ensure that it has all necessary licenses and permits required by the laws of Federal, State, COUNTY, and municipal laws, ordinances, rules and regulations. The CONTRACTOR shall maintain these licenses and permits in effect for the duration of this Agreement. CONTRACTOR will notify COUNTY immediately of loss or suspension of any such licenses and permits. Failure to maintain a required license or permit may result in immediate termination of this Agreement.

12. Notification Regarding Performance

In the event of a problem or potential problem that could impact the quality or quantity of work, services, or the level of performance under this Agreement, the CONTRACTOR shall notify the COUNTY within one- (1) working day, in writing and by telephone.

13. Conflict of Interest

Contractor shall make all reasonable efforts to ensure that no County officer or employee, whose position in the County enables him/her to influence any award of this contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of this contract or shall have any relationship to the Contractor or officer or employee of the Contractor.

14. Improper Consideration

Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Agreement.

The County, by written notice, may immediately terminate any Agreement if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once an Agreement has been awarded.

Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or to the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

15. Inaccuracies or Misrepresentations

If in the course of the RFP process or in the administration of a resulting Agreement, the COUNTY determines that Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the COUNTY, the Contractor may be terminated from the RFP process or in the event a Agreement has been awarded, the Agreement may be immediately terminated.

In the event of a termination under this provision, the COUNTY is entitled to pursue any available legal remedies.

16. Employment of Former County Officials

Contractor agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former county administrative officials who terminated county employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "county administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Administrative Officer or member of such officer's staff, county department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

17. Recycled Paper Products

The County has adopted a recycled product purchasing standards policy (11-10), which requires contractors to use recycled paper for proposals and for any printed or photocopied material created as a result of a contract with the County. The policy also requires Contractors to use both sides of paper sheets for reports submitted to the County whenever practicable

18. Artwork, Proofs and/or Negatives

All artwork, proofs and/or negatives in either print or digital format for this product are the property of the County of San Bernardino. These items must be returned to the County of San Bernardino within ten- (10) days, upon written notification to the Contractor. In the event of a failure to return the documents, the County is entitled to pursue any available legal remedies. In addition, the Contractor will be barred from all future solicitations, for a period of at least six (6) months.

19. Ownership of Documents

All documents, data, products, graphics, computer programs and reports prepared by Contractor pursuant to this Agreement shall be considered property of the COUNTY upon payment for services. All such items shall be delivered to COUNTY at the completion of work under this Agreement, subject to the requirements of Section VI, A-7 (Termination for Convenience). Unless otherwise directed by County, Contractor may retain copies of such items.

20. Release of Information

No news releases, advertisements, public announcements or photographs arising out of this Agreement or Contractor's relationship with County may be made or used without prior written approval of the County.

B. INDEMNIFICATION AND INSURANCE REQUIREMENTS

1. Indemnification - The Contractor agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Contractor's indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.
2. Additional Insured - All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.
3. Waiver of Subrogation Rights - The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.
4. Policies Primary and Non-Contributory - All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.
5. Severability of Interests - The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.
6. Proof of Coverage - The Contractor shall furnish Certificates of Insurance to the County Department administering the contract evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.
7. Acceptability of Insurance Carrier - Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII"
8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.
9. Failure to Procure Coverage - In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

10. Insurance Review - Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

11. The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- A) Workers' Compensation/Employers Liability - A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- B) Commercial/General Liability Insurance - The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- (a) Premises operations and mobile equipment.
- (b) Products and completed operations.
- (c) Broad form property damage (including completed operations).
- (d) Explosion, collapse and underground hazards.
- (e) Personal injury
- (f) Contractual liability.
- (g) \$2,000,000 general aggregate limit.

- C) Automobile Liability Insurance - Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy

shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

- D) Umbrella Liability Insurance - An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.
- E) Professional Liability – Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim or occurrence and two million (\$2,000,000) aggregate limits
- or
- Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits
- or
- Directors and Officers Insurance coverage with limits of not less than one million (\$1,000,000) shall be required for Contracts with charter labor committees or other not-for-profit organizations advising or acting on behalf of the County.
- F) If insurance coverage is provided on a "claims made" policy, the "retroactive date" shall be shown and must be before the date of the start of the contract work. The claims made insurance shall be maintained or "tail" coverage provided for a minimum of five (5) years after contract completion.

C. RIGHT TO MONITOR AND AUDIT

The COUNTY, shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of CONTRACTOR in the delivery of services provided under this Agreement. CONTRACTOR shall give full cooperation, in any auditing or monitoring conducted. CONTRACTOR shall cooperate with the COUNTY in the implementation, monitoring and evaluation of this agreement and comply with any and all reporting requirements established by the COUNTY.

VII. PROPOSAL SUBMISSION

A. General

1. All interested and qualified Proposers are invited to submit a proposal for consideration. Submission of a proposal indicates that the Proposer has read and understands the entire RFP, to include all appendixes, attachments, exhibits, schedules, and addendum (as applicable) and all concerns regarding the RFP have been satisfied.
2. Proposals must be submitted in the format described below. Proposals are to be prepared in such a way as to provide a straightforward, concise description of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc., are neither necessary nor desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.
3. Proposals must be completed in all respects as required in this section. A proposal may not be considered if it is conditional or incomplete.
4. All proposals and materials submitted become property of the County. All proposals received are subject to the "California Public Records Act."

B. PROPOSAL PRESENTATION INSTRUCTIONS

1. All proposals must be submitted on 8 ½ x 11 paper, neatly typed, double-sided on recycled paper, with normal (1-inch) margins and single-spaced. Typeface must be no more than 12 characters per inch. Each page, including attachments, must be clearly and consecutively numbered at the bottom center of each page.
2. One – (1) original and four (4) copies, total of five (5), of the complete proposal must be received by the deadline for receipt of proposal specified in Section II, (Proposal Timeline). The original and all copies must be in a sealed envelope or container stating on the outside: Proposer's Name, Address, Telephone Number, RFP number, RFP Title, and Proposal due date.
3. Proposals must be verified before submission as they cannot be withdrawn, or corrected after being opened. The COUNTY will not be responsible for errors, or omissions on the part of bidders in making up their proposals. A responsible officer or employee must sign proposals. California State Sales Tax should not be included in Proposer's quotation.
4. Hand carried proposals may be delivered to the address listed in Section I, E, only between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding holidays observed by the County. Proposers are responsible for informing any commercial delivery service, if used, of all delivery requirements, and for ensuring that the address information appears on the outer wrapper or envelope used by such service.

The COUNTY reserves the right to reject any and all proposals or portions of proposal or alternates received by reasons of this request, to negotiate separately with any source whatsoever in any manner necessary to serve its interests.

The COUNTY realizes that factors other than price are important. As a result, price may not be the sole factor upon which the COUNTY'S decision to award is based. Award may be based on unit prices or cumulative totals or upon other considerations. The COUNTY will make the award based upon the proposal, which best meets, its need. The COUNTY may reject any or all proposals, any portion of a proposal, and may waive any informality or immaterial irregularities in a proposal.

VIII. PROPOSAL FORMAT

Response to this RFP must be in the form of a proposal package, which must be submitted in the following format:

- A. **Cover Page** – Attachment C is to be used as the cover page for the proposal. This form must be fully completed and signed by an authorized officer of the Proposer.
- B. **Table of Contents** – All pages of the proposal, including the enclosures, must be clearly and consecutively numbered and correspond to the Table of Contents.
- C. **References** - Provide three -(3) references from other public agencies for which your firm provided general financial advisory services. Provide Contact Name, Address, Phone Number, and dates services were provided. This information must be included on Attachment B.
- D. **Proposed Costs** – This section should clearly show the amount and structure of the proposed compensation, including, as applicable, the hourly rates for all personnel that will be providing services to the County and a not to exceed estimate of total annual cost.
- E. **Statement of Certification** – Include the following in this section of the proposal:
 - 1. A concise statement of the product(s)/services proposed and the overall cost. Include your pricing structure.
 - 2. A statement that the offer made in the proposal is firm and binding for 180 days from the date the proposal is opened and recorded.
 - 3. A statement that all aspects of the proposal, including cost, have been determined independently, without consultation with any other Proposer or competitor for the purpose of restricting competition.
 - 4. A statement that all declarations in the proposal and attachments are true and that this shall constitute a warrant, the falsity of which will entitle the County to pursue any remedy by law.
 - 5. A statement that the Proposer agrees that all aspects of the RFP and the proposal submitted shall be binding if the proposal is selected and a Contract awarded.
 - 6. A statement that the Proposer agrees to provide the County with any other information the County determines is necessary for an accurate determination of the Proposer's ability to perform the services as proposed; and
 - 7. A statement that the Proposer, if selected, will comply with all applicable rules, laws and regulations.
- F. **Proposal Description** – A detailed description of the proposal being made.
 - 1. The proposal should address, but is not limited to, the scope of work contained in Section V.
 - 2. The proposal should include the following:
 - a) A brief synopsis of the Proposer's understanding of the County's debt program and general financial advisory needs and how the Proposer's experience and approach are best suited to meet those needs.

- b) Description of the firm's experience as a general financial advisor to public agencies (exclude transactional experience), overall investment advisory experience, knowledge and experience regarding derivative products, and other pertinent information. Indicate which of these tasks performed for other agencies relate to the elements of the scope of work in this RFP.
- c) Description of the firm's preferred approach to serving as a general financial advisor and its in-house capabilities available to implement that approach.
- d) An explanation of any assumptions and/or constraints, including any proposed changes to the draft agreement found in Attachment E.

G. Statement of Qualifications

- 1. Number of years the Proposer has been in business under the present business name, as well as related prior business names. Describe the corporate structure and ownership of the firm.
- 2. Resumes for all individuals that will be involved in providing services to the County with specific focus on experience in providing services that are the subject of this RFP. If any of these individuals have worked for brokerages or investment advisory firms in the past, please provide their NASD CRD number and a copy of their most recent NASD Form U-4.
- 3. The number of individuals available to provide direct service to the County.
- 4. Description of experience as general Financial Advisor for other public agencies and references for those services.

H. Background Information

- 1. As mentioned in Section 1.C.2 and 1.C.6., provide any information regarding investigations by regulatory agencies, civil filings, criminal filings, and customer complaints regarding the firm and/or its principles in the past ten (10) years.
- 2. Describe any business relationships, formal or informal, with banks or underwriting firms.

I. Employment of Former County Officials

Provide information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent your business. The information provided must include a list of former county administrative officials who terminated county employment within the last five years and who are now officers, principals, partners, associates or members of the business. Should also include the employment and/or representative capacity and the dates these individuals began employment with or representation of your business. For purposes of this section, "county administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Administrative Officer or member of such officer's staff, county department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

Failure to provide this information may result in the response to the request for proposal being deemed non-responsive.

J. Insurance

Submit evidence of ability to insure as stated in Section VI, B, Indemnification and Insurance Requirements.

IX. PROPOSAL EVALUATION AND SELECTION

A. Evaluation Process

All proposals will be subject to a standard review process developed by the County. The evaluation will be based on the written proposal as submitted, but may include an oral interview with the Proposer.

B. Evaluation Criteria

1. Initial Review

- a. The proposal must be complete, in the required format, and be in compliance with all the requirements of this RFP.
- b. Proposers must meet the requirements as stated in the Minimum Requirements as outlined in Section I, C.

Failure to meet any of these requirements may result in a rejected proposal. No proposal shall be rejected, however, if it contains a minor irregularity, defect or variation if the irregularity, defect or variation is considered by the County to be immaterial or inconsequential. In such cases, the Proposer will be notified of the deficiency in the proposal and given an opportunity to correct the irregularity, defect or variation or the County may elect to waive the deficiency and accept the proposal.

2. Final Review

Proposals meeting the above requirements will be evaluated on the basis of the following criteria (not necessarily in order of priority):

- a. Proposed cost of service.
- b. Proposer's qualifications and experience in performing the services requested in this RFP.
- c. Proposer's proposed plan to achieve the Scope of Work, as outlined in Section V.

Selection will be based on determination of which proposal best meets the needs of the County and the requirements of this RFP.

C. Evaluation Committee

The evaluation team will consist of representatives from the Treasurer/Tax Collector, the County Administrative Office, and the Auditor/Controller-Recorder's Office.

D. Disputes Relating to Proposal Process and Award

In the event a dispute arises concerning the proposal process prior to the award of the contract, the party wishing resolution of the dispute shall submit a request in writing to the County Purchasing Agent.

Grounds for an appeal is that the County failed to follow the selection procedures and adhere to requirements specified in the RFP or any addenda or amendments; there has been a violation of conflict of interest as provided by California Government Code Section 87100 et seq.; or violation of State or Federal law. Appeals will not be accepted on any other grounds. The County will consider only those specific issues addressed in the written appeal.

The County Administrative Officer (CAO) or designee shall consider the request and respond in writing within ten (10) matter appealed during a scheduled hearing, within thirty- (30) days of receipt. The decision of the CAO shall be final with respect to matters of fact.

All disputes and/or appeals must be submitted to:

Laurie Rozko
Interim Director of Purchasing
777 East Rialto Avenue
San Bernardino, CA 92415-1760

E. Final Authority

The final authority to award an Agreement rests solely with the Board of Supervisors of the County of San Bernardino.

Attachment A

San Bernardino County Debt Service Schedule

Summary of County Debt Issues
Gross Debt Service

Fiscal Year Ending June 30	Pension Obligations			Certificates of Participation													Total Outstanding Debt (ALL ISSUES)
	2008	2004	1995	2008 Series B	2008 Series B	2008 Series A	2002	2001/02	County	1997	County	1996	1996	County	County	County	
	Pension Obligation	Pension Obligation	Pension Obligation	Solid Waste VRDO	Glen Helen VRDO	Glen Helen VRDO	Justice Center Refunding	WVDC Refunding	Med. Center Series 1998	Public Impr. Financing	Med. Center Series 1997	Gov't. Ctr. Refinancing*	WVDC Refinancing*	Med. Center Series 1996	Med. Center Series 1995	Med. Center Series 1994	
2009	7,668,226	17,730,281	33,816,520	11,315,772	515,818	996,290	6,540,800	9,060,658	8,373,939	1,417,530	16,812,045	3,558,720	549,780	3,319,913	15,070,725	12,888,100	149,635,115
2010	10,369,960	24,644,609	38,798,739	10,858,563	469,565	1,007,748	6,494,800	9,051,020	8,429,949	1,421,415	-	2,662,690	538,920	3,574,806	15,074,475	12,885,300	146,282,558
2011	10,356,616	26,416,047	40,837,399	10,910,678	444,580	961,779	6,538,200	9,043,020	8,481,770	1,417,350	-	2,662,295	528,060	3,572,350	15,186,425	12,772,725	150,129,293
2012	10,380,262	28,215,231	42,976,352	10,971,639	464,080	937,547	6,467,200	9,030,270	16,263,916	933,100	-	2,657,535	517,200	3,573,975	7,432,588	12,775,738	153,596,631
2013	10,404,543	30,073,653	45,220,000	11,012,926	437,404	926,578	6,581,000	9,016,945	16,270,103	934,475	-	2,648,410	506,340	3,574,550	7,434,513	12,777,200	157,818,639
2014	10,337,019	32,089,811	47,580,000	11,091,962	418,606	863,140	6,472,000	9,020,884	16,259,532	929,725	-	2,634,920	495,480	3,574,075	7,441,488	12,766,838	161,975,478
2015	10,338,290	34,147,066	50,055,000	11,154,970	428,713	834,643	6,557,750	9,007,341	16,330,108	933,725	-	2,425,795	582,207	3,572,550	7,442,538	12,768,963	166,579,658
2016	10,394,445	36,273,239	52,655,000	11,219,544	409,895	781,078	6,515,250	8,994,761	16,281,832	930,650	-	2,500,000	567,727	3,574,844	7,446,688	12,767,613	171,312,564
2017	10,356,385	38,516,751	55,385,000	11,296,820	385,001	771,698	-	8,987,081	11,419,440	930,463	-	-	553,247	3,570,956	12,344,363	12,771,963	167,289,166
2018	10,360,466	40,840,205	58,250,000	0	884,094	714,472	-	8,973,031	11,445,028	928,700	-	-	538,767	3,571,500	12,351,425	12,761,463	161,619,150
2019	28,584,754	24,688,186	61,260,000	0	884,759	682,253	-	8,961,531	13,122,436	930,231	-	-	524,287	3,571,375	8,861,875	14,642,213	166,713,899
2020	23,375,669	32,179,750	64,420,000	0	910,682	606,840	-	-	13,149,571	842,288	-	-	509,807	3,574,875	8,867,350	14,635,225	163,072,056
2021	27,289,795	30,584,250	67,735,000	0	903,064	591,082	-	-	11,201,842	840,000	-	-	495,327	3,572,000	7,109,500	18,292,225	168,614,085
2022	31,192,687	28,988,750	67,910,000	0	898,494	523,589	-	-	11,475,061	841,006	-	-	578,433	3,572,750	7,294,750	17,910,250	171,185,771
2023	35,119,630	27,393,250	-	0	918,282	476,099	-	-	11,429,427	835,306	-	-	560,333	3,572,000	7,284,975	17,919,100	105,508,403
2024	39,102,596	25,797,750	-	0	905,211	424,906	-	-	18,714,119	837,769	-	-	542,233	3,574,625	-	17,966,150	107,865,359
2025	0	0	-	0	0	0	-	-	18,720,757	838,131	-	-	524,133	3,570,625	-	17,969,200	41,622,846
2026	0	0	-	0	0	0	-	-	21,243,604	836,394	-	-	506,033	3,574,875	-	15,403,225	41,564,132
2027	0	0	-	0	0	0	-	-	15,120,232	-	-	-	-	9,763,500	-	15,398,600	40,282,332
2028	0	0	-	0	0	0	-	-	-	-	-	-	-	25,894,750	-	14,680,694	40,575,444
2029	0	0	-	0	0	0	-	-	-	-	-	-	-	25,912,000	-	14,675,456	40,587,456
Totals	285,631,340	478,578,825	726,899,010	99,832,874	10,278,248	12,099,742	52,167,000	99,146,543	263,732,667	17,578,258	16,812,045	21,750,365	9,618,313	125,632,894	146,643,675	307,428,238	2,673,830,036

* Debt schedules for variable rate issues are based on the average interest rate at the time of issuance.

Attachment B – References

Name of Agency	Contact Name	Phone Number	Dates services provided (from/thru)

Attachment C – Cover Sheet

PROPOSAL FOR FINANCIAL ADVISORY SERVICES

PROPOSER'S NAME (*name of firm, entity or organization*):

FEDERAL EMPLOYER IDENTIFICATION NUMBER:

NAME AND TITLE OF PROPOSER'S CONTACT PERSON:

MAILING ADDRESS:

Street Address: _____

City, State, Zip: _____

TELEPHONE NUMBER: _____

FAX NUMBER: _____

EMAIL ADDRESS: _____

PROPOSER'S ORGANIZATIONAL STRUCTURE

___ Corporation ___ Partnership ___ Proprietorship ___ Joint Venture

___ Other (explain): _____

If Corporation, Date Incorporate: _____ State Incorporated: _____

States Registered in as foreign corporation:

PROPOSERS SERVICES OR BUSINESS ACTIVITIES OTHER THAN WHAT THIS RFP REQUESTS:

PROPOSER'S AUTHORIZED SIGNATURE:


The undersigned hereby certifies that this proposal is submitted in response to this solicitation.

SIGNED: _____

DATE: _____

PRINT NAME: _____ TITLE: _____

Attachment D

 <p>COUNTY OF SAN BERNARDINO POLICY MANUAL</p>	<p>NO. 02-11 ISSUE 1 PAGE 1 OF 3 BY EFFECTIVE 11/19/02</p>
<p>SUBJECT DEBT POLICY</p>	<p>Approved FRED AGUIAR CHAIRMAN, BOARD OF SUPERVISORS</p>
<p>POLICY STATEMENT</p> <p>The objective of the San Bernardino County Debt management policy is to minimize the amount of outstanding debt necessary to fulfill its infrastructure and economic development responsibilities, and maintain the County's ability to incur present and future debt at minimal interest rates. The use of debt shall not endanger the County's ability to finance essential County services. The County recognizes that capital markets change and unforeseen circumstances may occur resulting in situations that are not covered by this policy. In such situations, flexibility to modify certain policy requirements may be necessary to achieve policy goals. Any modifications must be authorized by the Board of Supervisors.</p> <p>The provisions of this Policy Statement may not be applicable to the terms and conditions for the issuance of conduit bonds. Each provision should be evaluated to determine if it is applicable to such financings. The County may serve as a conduit issuer or may participate with a Joint Powers Authority that serves as a conduit issuer for privately sponsored exempt facility, housing, industrial development and non-profit projects ("Private Activity Bonds"). Private Activity Bonds are exempt from this Policy because such bonds are direct obligations of the private entity sponsor and are not debt obligations of the County and do not increase the County's Debt Service or overall debt.</p> <p>General</p> <p>A. Debt will not be used to finance on-going operational costs. However, debt may be used, where economically efficient, to reduce or eliminate current long-term operational liabilities (e.g., pension obligations, etc.)</p> <p>B. Whenever possible, the County shall pursue alternative sources of funding, when cost effective, in order to minimize the level of debt.</p> <p>C. Whenever practical, voter approval on the method of debt shall be utilized.</p> <p>Types of Debt</p> <p>D. General Obligation Bonds (property tax supported) usage will be evaluated first since it is the least costly debt. Public support will be assessed for ballot placement due to the costs involved for an election.</p> <p>E. Revenue Bonds / Certificates of Participation may be considered for use where General Obligation Bonds are not practical.</p>	

COUNTY OF SAN BERNARDINO POLICY MANUAL	NO. 02-11	ISSUE 1 PAGE 2 OF 3
<p>F. Revenue Bonds and Certificates of Participation</p> <ol style="list-style-type: none">1. Revenue Bonds will be considered where specific revenues are available which can be shown to be, both in amount and timing, sufficient to cover the costs of the project. Feasibility studies shall be performed for each project to determine the adequacy of dedicated revenue sources.2. Certificates of Participation shall be considered as a method of financing capital assets over a multi year period. <p>G. Short-term Borrowing, such as commercial paper, bond anticipations notes, and lines of credit, will be considered as interim funding sources in anticipation of long-term financing. Short-term borrowings may be considered if available cash is expected to be insufficient to meet working capital needs of the County.</p> <p>Analysis, Management, and Limitations</p> <p>H. The County may elect to issue bonds / certificates of participation as variable rate instruments to provide flexibility and/or to attempt to achieve interest savings. When considering the issuance of variable rate debt, the following guidelines must be considered:</p> <ol style="list-style-type: none">1. Feasibility: Economic and cash flow projections for variable rate issues shall be calculated at the then applicable fixed rate.2. Debt Service Structure: The County will first consider structuring the principal and interest repayments related to the entire project for which the debt will be issued on an approximately equal annual basis over the life of the borrowing. Refundings will be structured to produce upfront or level annual savings.3. Capacity: Total variable rate debt shall be limited to no more than 25% of total debt outstanding.4. Conversion: Not less than annually, analysis of each outstanding variable rate bond issue shall be undertaken to determine the advisability of converting the issue to fixed-rate debt.5. Variable rate bonds shall be structured to protect the County to the greatest extent possible against cyclical interest rate fluctuations. <p>I. County financial management policies shall be designed to maintain a balanced relationship between debt service requirements and current operating costs, encourage growth of the tax base, actively seek alternative funding sources, minimize interest costs and maximize investment returns. In accordance with this principle, the following must be considered:</p> <ol style="list-style-type: none">1. Bond Terms: The County shall issue bonds with terms no longer than the economic useful life of the project. For bonds supported by a dedicated revenue source, maturities and associated debt service shall not exceed projected revenue streams.2. Feasibility The County shall obtain secured guarantees for bonds supported by a dedicated revenue source to the extent possible. The County shall also obtain assurances of project viability and guarantees of completion prior to the issuance of bonds.		

COUNTY OF SAN BERNARDINO POLICY MANUAL	NO. 02-11	ISSUE 1 PAGE 3 OF 3
<p>3. Investments: The County shall invest the proceeds of bond / certificates of participation sales to conform to State and County requirements to maximize investment security and earnings. The County may exempt the term of investment from County requirements where such funds are not anticipated to be used until a specific time to maximize earnings.</p> <p>4. The County shall establish affordability guidelines in order to preserve credit quality, which may be suspended for emergency purposes, or because of unusual circumstances.</p> <p>J. The County shall encourage and maintain positive working relationships with financial and bond rating agencies, and will follow a policy of full and open disclosure on every financial report and bond prospectus.</p> <p>K. The County shall continually review outstanding debt and initiate any type of restructuring, refunding, or refinancing when beneficial to the County.</p> <p>L. The Debt Advisory Committee (DAC), established by Resolution No. 2001-178, shall have the responsibility for oversight and review of all debt policy and debt issuance activities and to make recommendations to the Board of Supervisors regarding appropriate actions on debt matters.</p> <p>M. Investment of Proceeds</p> <p>1. All investments shall comply with the County's adopted Investment Policy, with the following exceptions or clarifications allowed :</p> <p>(a) Guaranteed Investment Contracts (GIC's) with AAA-rated counterparties are acceptable, provided there is a collateralization requirement in the event of a downgrade in the counterparty's rating to AA or below.</p> <p>(b) Forward delivery contracts and/or forward settlement of securities are acceptable.</p> <p>(c) Purchase of State and Local Government Series (SLGS) for escrow accounts are acceptable.</p> <p>(d) For investment of reserve funds and, when applicable, acquisition or construction accounts, a maturity of longer than 5 years is permitted.</p> <p>2. All investments of bond proceeds other than money-market mutual funds and SLGS shall be made on a competitive basis and shall comply with IRS and other state and federal requirements.</p> <p>3. The County Debt Advisory Committee shall annually review investments of bond proceeds.</p> <p>4. For unique circumstances or for situations justifying the use of securities not considered above, the Board of Supervisors may specifically approve other investments not listed above or in the County's Investment Policy on a case-by-case basis based on staff's recommendation.</p>		

Attachment E



County of San Bernardino

F A S

STANDARD CONTRACT

FOR COUNTY USE ONLY

E	New	Vendor Code		SC	Dept.	A	Contract Number	
M	Change							
X	Cancel							
County Department					Dept. Orgn.		Contractor's License No.	
County Administrative Office					FAD FAD			
County Department Contract Representative					Ph. Ext.		Amount of Contract	
Gerry Newcombe, Deputy Administrative Officer					(909) 387-9046		\$	
Fund	Dept.	Organization	Appr.	Obj/Rev Source	Activity	GRC/PROJ/JOB Number		
AAA	FAD	FAD	200	2445				
Commodity Code			Estimated Payment Total by Fiscal Year					
			FY	Amount	I/D	FY	Amount	
Project Name								

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and
Name _____

Address _____

hereinafter called _____ Contractor

Phone _____ Birth Date _____

Federal ID No. or Social Security No. _____

IT IS HEREBY AGREED AS FOLLOWS:

(Use space below and additional bond sheets. Set forth service to be rendered, amount to be paid, manner of payment, time for performance or completion, determination of satisfactory performance and cause for termination, other terms and conditions, and attach plans, specifications, and addenda, if any.)

This contract is entered into as of this ____ day of _____, by the County of San Bernardino (hereinafter called County) and _____ (hereinafter called Contractor).

I. SERVICES TO BE PROVIDED

Contractor should act as an independent advisor to the County Board of Supervisors, Debt Advisory Committee, and staff and provide independent professional advise that benefits the County by reducing its debt exposure, reducing debt costs, and supporting policy formulation that allows the County to better serve all those involved in the debt process. Specific tasks include, but may not be limited to:

1. Ongoing review and analysis of the County's debt portfolio, and identification of refunding opportunities for existing County debt. Review as needed of proposed Special Districts, Community Development and Housing, and County Redevelopment Agency financings.
2. Ongoing monitoring and recommendations regarding the County's variable rate debt and swap agreements.

3. At least once a year (and more often if required or requested) prepare a comprehensive report which reviews all of the County's debt and includes a debt reduction plan, to include the following components:
 - Debt affordability analysis and compilation of other relevant statistics (debt ratios, etc.)
 - Listing of all County debt including TIC, maturity, outstanding par, description, and a schedule of debt service
 - Refinancing/restructuring opportunities
 - Analysis of the conversion of variable-rate debt to fixed-rate debt
 - Debt reduction plan for the use of reserves and one-time monies to defease existing debt
 - Analysis of potential for debt financing of future capital needs identified in the County's Five Year Capital Improvement Program plan.
4. Analysis of "pay-as-you-go" versus debt financing for new capital projects identified by the County.
5. Prepare periodic debt affordability, analysis and other relevant statistics for the County.
6. Assistance with presentation and discussions with the rating agencies.
7. Ongoing assistance to County staff and to the County's Debt Advisory Committee, and attendance at the committee's monthly meetings.
8. Consultant should proactively review the County debt policy and provide advice to improve the County's policies, practice and procedures. Consultant should stay aware of all debt issues statewide to glean ideas that would benefit County.
9. Provide ongoing technical assistance and training in debt management issues to County staff as appropriate.
10. Assist County in ensuring all annual disclosure requirements are met.
11. Attend meetings with County staff and Board of Supervisors as needed.

II. COUNTY REPRESENTATIVE

In its capacity as financial advisor, the Contractor shall receive all instructions, directions, and other communications on the County's behalf respecting the County's accounts and services to be performed from the County Administrative Officer, the Assistant County Administrative Officer or their designee. The Contractor is hereby authorized to rely and act upon all such instructions, directions and communications from the County's representative(s).

III. CONTRACTOR REPRESENTATIVE

Contractor must provide a list of and the resumes of the individuals who will provide services to the County. These individuals will be designated "key personnel" and may not be removed from County transactions or projects without the written approval of the County. An individual who will be the main contact person must also be identified. If the main contact person will be unavailable to the County for more than three (3) days, another person must be designated as a contact for the County.

IV. CONTRACTOR AUTHORITY

The Contractor is hereby granted the authority to advise the County on the full range of financial alternatives related to the County's outstanding debt and future bond issues. It is understood that the Contractor shall not have custody or possession of the funds or securities which the County has placed under its advisement.

V. FINANCIAL ADVICE

The County recognizes that the opinions, recommendations and actions of the Contractor will be based on information deemed by it to be reliable, but not guaranteed to or by it. The Contractor shall be liable to and shall reimburse the County for any loss or damage caused by negligence or willful misconduct of it or its employees in performing services under this contract.

The Contractor understands that it is employed by the County Board of Supervisors and it is accountable directly to the Board, not staff, for reporting circumstances which may materially imperil the County's financial status or credit rating.

It is the intent of the County that Contractor will not participate in any financing transactions for the County, Special Districts, Economic and Community Development or the County Redevelopment Agency while Contractor serves as the independent financial advisor under this contract. This requirement can be waived by the Board of Supervisors.

VI. CONFLICT OF INTEREST

Contractor shall make all reasonable efforts to ensure that no County officer or employee, whose position in the County enables him/her to influence any award of this contract or any competing offer, shall have any direct or indirect financial interest resulting from the award of this contract or shall have any relationship to the Contractor or officer or employee of the Contractor.

VII. IMPROPER CONSIDERATION

Contractor shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the County in an attempt to secure favorable treatment regarding this Agreement.

The County, by written notice, may immediately terminate any Agreement if it determines that any improper consideration as described in the preceding paragraph was offered to any officer, employee or agent of the County with respect to the proposal and award process. This prohibition shall apply to any amendment, extension or evaluation process once an Agreement has been awarded.

Contractor shall immediately report any attempt by a County officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Contractor. The report shall be made to the supervisor or manager charged with supervision of the employee or to the County Administrative Office. In the event of a termination under this provision, the County is entitled to pursue any available legal remedies.

VIII. INACCURACIES OR MISREPRESENTATIONS

If in the course of the RFP process or in the administration of a resulting Agreement, the COUNTY determines that CONTRACTOR has made a material misstatement or misrepresentation or that

materially inaccurate information has been provided to the COUNTY, the CONTRACTOR may be terminated from the RFP process or in the event a Agreement has been awarded, the Agreement may be immediately terminated.

In the event of a termination under this provision, the COUNTY is entitled to pursue any available legal remedies.

IX. EMPLOYMENT OF FORMER COUNTY OFFICIALS

Contractor agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former county administrative officials who terminated county employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "county administrative official" is defined as a member of the Board of Supervisors or such officer's staff, County Administrative Officer or member of such officer's staff, county department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

X. GRATUITIES

The County may terminate this contract with one calendar day's written notice if it is found that gratuities in the form of entertainment, gifts, or otherwise, were offered or given by the Contractor, any agent or representative of the Contractor, to any officer or employee of the County with a view toward securing this agreement or securing favorable treatment hereunder.

XI. RECORD RETENTION AND INSPECTION

The Contractor shall maintain books, records, documents and other evidence, and accounting procedures and practices sufficient to support all claims for payment made by the Contractor to the County. The County or any duly authorized representative shall have access to and the right during normal business hours to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, time cards, or other records relating to engagements under this contract. Such material, including all pertinent cost accounting, financial records and proprietary data shall be kept and maintained by the Contractor for three years, unless the County's written permission is given to dispose of such material sooner. In the event that the County wishes to exercise its right under this Section, the County shall provide the Contractor with at least three business days advance written notice.

XII. ARTWORK, PROOFS AND/OR NEGATIVES

All artwork, proofs and/or negatives in either print or digital format for this product are the property of the County of San Bernardino. These items must be returned to the County of San Bernardino within ten- (10) days, upon written notification to the Contractor. In the event of a failure to return the documents, the County is entitled to pursue any available legal remedies. In addition, the Contractor will be barred from all future solicitations, for a period of at least six (6) months.

XIII. OWNERSHIP OF DOCUMENTS

All documents, data, products, graphics, computer programs and reports prepared by Contractor pursuant to this Agreement shall be considered property of the COUNTY upon payment for services. All such items shall be delivered to COUNTY at the completion of work under this Agreement, subject to the requirements of Section XXVIII (Termination). Unless otherwise directed by County, Contractor may retain copies of such items.

XIV. RELEASE OF INFORMATION

No news releases, advertisements, public announcements or photographs arising out of this Agreement or Contractor's relationship with County may be made or used without prior written approval of the County.

XV. NOTICES

All correspondence and deliverables for this contract shall be addressed to the following:

(Contractor Name)

Gary McBride
Deputy Administrative Officer
County of San Bernardino
385 North Arrowhead Avenue
San Bernardino, CA 92415-0120

Contractor shall notify the County in writing of any change in mailing address within ten (10) business days of the change.

XVI. COMPENSATION

The County agrees to pay the Contractor for services described in Section I above an hourly fee in accordance with the fee schedule attached hereto as Exhibit A in an annual amount not to exceed \$_____ for the period of January 1, 2009 through December 31, 2010. Payment will be made monthly following the submittal of detailed invoices, which shall be delivered to the County within 10 days of the end of each month.

Actual out-of-pocket expenses will be billed in addition to the fees stated above. Out-of-pocket expenses will consist of reasonable and normal travel related expenses, phone calls, faxes, overnight deliveries, and printing and binding. For the purposes of this contract, billed out-of-pocket expenses will not exceed \$_____ annually.

XVII. TERM

Unless terminated earlier as hereinafter provided, this contract shall be for term of two years commencing on January 1, 2009, and may be extended at the county's option for an additional one-year term.

XVIII. NO ASSIGNMENT

This contract may not be assigned by the Contractor without the County's consent, but may be amended at any time by mutual agreement in writing.

XIX. SUBCONTRACTING

Contractor agrees not to enter into any subcontracting agreements for work contemplated under this Agreement without first obtaining written approval from the County. Any subcontracting shall be subject to the same terms and conditions as Contractor. Contractor shall be fully responsible for the performance and payments of any subcontractor's contract.

XX. GOVERNING LAW

This contract shall be governed and construed in accordance with the laws of the State of California. Any action brought by either party on this engagement shall be brought in the San Bernardino County Superior Court.

XXI. COMPLIANCE WITH LAWS

- A. The Contractor shall comply with all applicable federal, state and local laws, regulations or ordinances, which pertain to this agreement and all provisions required thereby to be included herein, are hereby incorporated by reference.
- B. The Contractor assures that it shall comply with all applicable federal and state civil rights statutes to the end that no person shall, on the grounds of race, religion, ancestry, national origin, sex, age, condition of physical handicap, marital status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

XXII. INDEPENDENT CONTRACTOR

It is expressly understood that in the performance of the services herein provided for, the Contractor is an independent Contractor and is not an agent or employee of the County. The Contractor shall be solely responsible for and hold the County harmless from all matters relating to the payment of the Contractor's employees, including compliance with Social Security, payroll withholding and all regulations governing such matters.

XXIII. IDEMNIFICATION AND INSURANCE REQUIREMENTS

1. Indemnification - The Contractor agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless the County and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Contractor's indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.
2. Additional Insured - All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.
3. Waiver of Subrogation Rights - The Contractor shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.
4. Policies Primary and Non-Contributory - All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.
5. Severability of Interests - The Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Contractor and the County or between the County and any other insured or additional insured under the policy.
6. Proof of Coverage - The Contractor shall furnish Certificates of Insurance to the County Department administering the contract evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such

insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Contractor shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

7. Acceptability of Insurance Carrier - Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A- VII"
8. Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.
9. Failure to Procure Coverage - In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.
10. Insurance Review - Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this contract. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

11. The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the contract services.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

- A) Workers' Compensation/Employers Liability - A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Contractor and all risks to such persons under this contract.

If Contractor has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Director of Risk Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- B) Commercial/General Liability Insurance - The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:
- (a) Premises operations and mobile equipment.
 - (b) Products and completed operations.
 - (c) Broad form property damage (including completed operations).
 - (d) Explosion, collapse and underground hazards.
 - (e) Personal injury
 - (f) Contractual liability.
 - (g) \$2,000,000 general aggregate limit.

- C) Automobile Liability Insurance - Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Contractor owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

- D) Umbrella Liability Insurance - An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.
- E) Professional Liability – Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim or occurrence and two million (\$2,000,000) aggregate limits

or

Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits

or

Directors and Officers Insurance coverage with limits of not less than one million (\$1,000,000) shall be required for Contracts with charter labor committees or other not-for-profit organizations advising or acting on behalf of the County.

- G) If insurance coverage is provided on a "claims made" policy, the "retroactive date" shall be shown and must be before the date of the start of the contract work. The claims made insurance shall be maintained or "tail" coverage provided for a minimum of five (5) years after contract completion.

XXIV. RECYCLED PRODUCTS

The County has adopted a recycled product purchasing standards policy which requires contractors to use recycled paper for proposals and for any printed or photocopied material created as a result of a contract with the County. The policy also requires contractors to use both sides of paper sheets for reports submitted to the County whenever possible.

XXV. [RESERVED]

XXVI. [RESERVED]

XXVII. CHANGES IN SCOPE OF SERVICE AND EXTRA WORK

County may direct changes in the scope of the work called for in this contract. Services not within the terms of this contract shall not be rendered by Contractor unless such extra services and compensation are first authorized in writing by County.

XXVIII. TERMINATION

Notwithstanding any other provision of this contract, the County may terminate this contract at any time with or without cause by giving the Contractor ten (10) days written notice. In such event, all finished or unfinished documents prepared pursuant to this contract shall, at the option of the County, become its property. The Contractor shall be paid for satisfactory work performed to the date of termination of the contract.

In the event of default by the Contractor, the County may terminate this contract with three calendar days' written notice.

The rights and remedies of the County provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

Upon termination of this contract, Contractor will provide County with copies of, including but not limited to, any and all documents, reports, charts, statistics and computer runs relating to the scope of services provided pursuant to this contract. The copies must be provided to County prior to any final payment to Contractor.

XXIX. ATTORNEY FEES AND COSTS

If any legal action is instituted to enforce any party's rights hereunder, each party shall bear its own costs and attorneys' fees, regardless of who is the prevailing party. This paragraph shall not apply to those costs and attorneys' fees directly arising from a third-party legal action against a party hereto and payable under XXIII. A. Indemnification.

XXX. VENUE

The venue of any action or claim brought by any party to this Agreement will be the Central District Court of San Bernardino COUNTY. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue. If any action or claim concerning this Agreement is brought by any third-party and filed in another venue, the parties hereto agree to use their best efforts to obtain a change of venue to San Bernardino COUNTY.

XXXI. LICENSES AND PERMITS

Contractor shall ensure that it has all necessary licenses and permits required by the laws of Federal, State, County, and municipal laws, ordinances, rules and regulations. The Contractor shall maintain these licenses and permits in effect for the duration of this Agreement. Contractor will notify County immediately of loss or suspension of any such licenses and permits. Failure to maintain a required license or permit may result in immediate termination of this Agreement.

XXXII. NOTIFICATION REGARDING PERFORMANCE

In the event of a problem or potential problem that could impact the quality or quantity of work, services, or the level of performance under this Agreement, the Contractor shall notify the County within one- (1) working day, in writing and by telephone.

XXXIII. RIGHT TO MONITOR AND AUDIT

The County shall have absolute right to review and audit all records, books, papers, documents, corporate minutes, and other pertinent items as requested, and shall have absolute right to monitor the performance of Contractor in the delivery of services provided under this Agreement. Contractor shall give full cooperation, in any auditing or monitoring conducted. Contractor shall cooperate with the COUNTY in the implementation, monitoring and evaluation of this agreement and comply with any and all reporting requirements established by the County.

XXXIV. DISCLOSURE

Contractor represents and warrants to the County that, to the best of its knowledge: (1) Exhibit B to this contract lists the name and case number of all legal proceedings, whether civil, criminal, or administrative, filed against Contractor during the past 10 years; and (2) Exhibit B also lists all legal proceedings, whether civil, criminal, or administrative, that were filed during the past 10 years against any principal of Contractor or any staff to be assigned by Contractor to work pursuant to this contract and that relate to or arise out of a dispute concerning municipal finance or investment advisory services, or other related services.

XXXV. ENTIRE CONTRACT

The parties agree that all of the terms of this contract shall be binding upon them and that together these terms constitute the entire agreement of the parties with respect to the subject matter hereof. No variations or modification of the agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by an authorized agent or officer of the parties.

COUNTY OF SAN BERNARDINO

►
Paul Biane, Chairman, Board of Supervisors

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Clerk of the Board of Supervisors
of the County of San Bernardino.

By _____
Deputy

(Print or type name of corporation, company, contractor, etc.)

By ►
(Authorized signature - sign in blue ink)

Name _____
(Print or type name of person signing contract)

Title _____
(Print or Type)

Dated: _____

Address _____

Approved as to Legal Form

►
County Counsel

Date _____

Reviewed by Contract Compliance

►

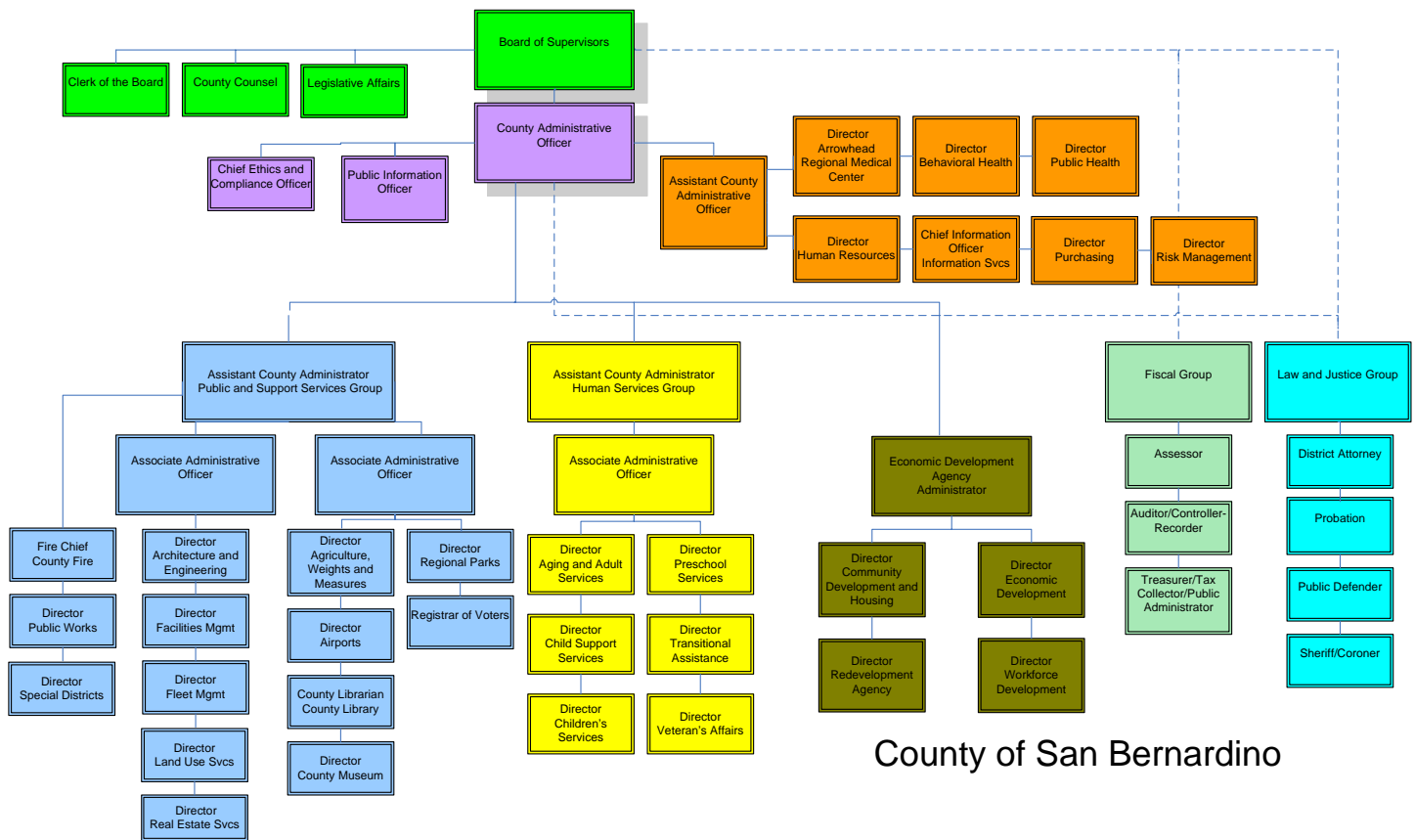
Date _____

Reviewed for Processing

►
Agency Administrator/CAO

Date _____

Attachment F



County of San Bernardino